



1 ESTABLISHMENT OF SOCIAL SECURITY ADMINISTRATION  
2 AS INDEPENDENT AGENCY

3 SEC. 2. (a) Section 701 of the Social Security Act is  
4 repealed.

5 (b) Title VII of such Act is further amended by inserting  
6 immediately before section 702 the following new section:

7 "SOCIAL SECURITY ADMINISTRATION

8 "SEC. 701. (a)(1) There is hereby established, as an in-  
9 dependent agency of the executive branch of the Govern-  
10 ment, a Social Security Administration (hereinafter in this  
11 section referred to as the 'Administration'). The Administra-  
12 tion shall be headed by an Administrator who shall be ap-  
13 pointed by the President, by and with the advice and consent  
14 of the Senate.

15 "(2) No individual shall, during the time that he holds  
16 office as Administrator, engage in any business, vocation, or  
17 employment, other than the discharge of his duties and the  
18 exercise of his authority as Administrator.

19 "(3) The Administrator shall hold office for a term of  
20 four years, except that an individual appointed as Adminis-  
21 trator to fill a vacancy occurring prior to the expiration of the  
22 term for which his predecessor was appointed shall be ap-  
23 pointed for the remainder of such term.

24 "(4) Any action taken, or decision made, by the Admin-  
25 istrator shall be the action or decision of the Administration.

1       “(b)(1) It shall be the duty of the Administration to ad-  
2 minister the program established by title II, the supplemental  
3 security income program established by title XVI, and the  
4 programs established by part B of title XI and by title XVIII  
5 of this Act.

6       “(2) The Administration shall also have the duty of  
7 studying and making recommendations as to the most effec-  
8 tive methods of providing economic security through social  
9 insurance, and as to legislation and matters of administrative  
10 policy concerning the programs referred to in paragraph (1)  
11 and other programs having similar objectives.

12       “(3) The Administration shall prepare and submit to the  
13 Congress an annual report on its activities, which report shall  
14 include the recommendations of the Administration made  
15 pursuant to paragraph (2).

16       “(c)(1) There shall be in the Administration a General  
17 Counsel, who shall be appointed by and serve at the pleasure  
18 of the Administrator, and who shall be the principal legal  
19 counsel in the Administration.

20       “(2) The Administration may obtain the services of ex-  
21 perts and consultants in accordance with the provisions of  
22 section 3109 of title 5, United States Code.”.

23       (c)(1) Section 5313 of title 5, United States Code (relat-  
24 ing to level II of the Executive Schedule), is amended by  
25 adding at the end thereof the following new item:

1           “Administrator of the Social Security Administra-  
2           tion.”.

3           (2) Section 5315 of such title (relating to level IV of the  
4   Executive Schedule) is amended by adding at the end thereof  
5   the following new item:

6           “General Counsel, Social Security Administra-  
7           tion.”.

8           (3) Section 5315 of such title is further amended by  
9   striking out the following item:

10           “Commissioner of Social Security, Department of  
11   Health and Human Services.”.

12           (d) Notwithstanding the effective date set forth in sec-  
13   tion 5 of this Act—

14           (1) the Administrator of the Social Security Ad-  
15   ministration may be appointed before such effective  
16   date, after the date of the enactment of this Act, and  
17   the General Counsel of such Administration may be  
18   appointed by such Administrator at any time after such  
19   Administrator has been appointed,

20           (2) such Administrator and such General Counsel  
21   shall be compensated from the date they first take  
22   office, at the rates provided for in the amendments to  
23   title 5, United States Code, made by subsection (c),  
24   and

(3) such compensation and related expenses of such Administrator and such General Counsel shall be paid from funds available for the functions vested in the Social Security Administration by this Act and the amendments made thereby.

CONFORMING AMENDMENTS; RULES OF CONSTRUCTION

SEC. 3. (a) Title II (other than the first sentence of section 201(c) thereof, and the last sentence of section 205(g) thereof), part B of title XI, title XVI, and title XVIII (other than the first sentence of section 1817(b) thereof, and the first sentence of section 1841(b) thereof), of the Social Security Act are each amended—

(1) by striking out, wherever it appears therein, “Secretary of Health and Human Services” or “Secretary of Health, Education, and Welfare” and inserting in lieu thereof “Social Security Administration”,

(2) by striking out, wherever it appears therein, “Department of Health and Human Services” or “Department of Health, Education, and Welfare” and inserting in lieu thereof “Social Security Administration”,

(3) by striking out, wherever it appears therein, “Department” (but only if it is not immediately succeeded by the words “of Health and Human Services” or “of Health, Education, and Welfare”, and only if it

1 is used in reference to the Department of Health and  
2 Human Services or the Department of Health, Educa-  
3 tion, and Welfare) and inserting in lieu thereof "Social  
4 Security Administration", and

5 (4) by striking out, wherever it appears therein,  
6 each of the following words (but, in the case of any  
7 such word only if such word refers to the Secretary of  
8 Health and Human Services or to the Secretary of  
9 Health, Education, and Welfare): "Secretary", "Secre-  
10 tary's", "his", "him", and "he", and inserting (in the  
11 case of the word "Secretary") "Social Security Admin-  
12 istration", (in the case of the word "Secretary's")  
13 "Social Security Administration's", (in the case of the  
14 word "his") "the Social Security Administration's", (in  
15 the case of the word "him") "the Social Security Ad-  
16 ministration", and (in the case of the word "he") "the  
17 Social Security Administration".

18 (b)(1) Section 201(c) of such Act is amended—

19 (A) in the first sentence, by striking out "and the  
20 Secretary of Health, Education, and Welfare" and in-  
21 serting in lieu thereof "the Secretary of Health and  
22 Human Services, and the Administrator of the Social  
23 Security Administration", and

24 (B) in the third sentence, by striking out "The  
25 Commissioner of Social Security" and inserting in lieu

1       thereof “An officer of the Social Security Administra-  
2       tion designated by the Administrator of such Adminis-  
3       tration”.

4       (2) The last sentence of section 205(g) of such Act is  
5       amended by striking out “the office of Secretary” and insert-  
6       ing in lieu thereof “the office of Administrator of the Social  
7       Security Administration”.

8       (c)(1) Section 702 of such Act is amended by inserting,  
9       before the period at the end thereof, the following: “; except  
10      that nothing in this section shall be construed to require the  
11      Secretary to make studies of or recommendations with re-  
12      spect to programs administered by the Social Security Ad-  
13      ministration”.

14      (2) Section 706 of such Act is amended—

15           (A) by striking out “Secretary”, wherever it ap-  
16           pears therein, and inserting in lieu thereof “Social Se-  
17           curity Administration”,

18           (B) by striking out “the public assistance pro-  
19           grams under this Act” in subsection (a) and inserting  
20           in lieu thereof “the supplemental security income pro-  
21           gram established by title XVI of this Act”, and

22           (C) by striking out “Department of Health, Edu-  
23           cation, and Welfare” in subsection (c)(1) and inserting  
24           in lieu thereof “Social Security Administration”.

25      (d)(1) Section 1122 of such Act is amended—

1 (A) in subsection (c), by striking out “The Secre-  
2 tary shall pay” and inserting in lieu thereof “The  
3 Social Security Administration shall (pursuant to and  
4 in accordance with directives from the Secretary) pay”,

5 (B) in subsection (d)(1)(B), by striking out all the  
6 matter that follows clause (ii) of subparagraph (B) and  
7 inserting in lieu thereof the following: “then, for such  
8 period as he finds necessary in any case to effectuate  
9 the purposes of this section, he shall in determining the  
10 Federal payments to be made under title XIX with re-  
11 spect to services furnished in the health care facility  
12 for which such capital expenditure is made, not include  
13 (and shall direct the Social Security Administration, in  
14 determining the Federal payments to be made under  
15 title XVIII with respect to services furnished in such  
16 health care facility, not to include) any amount which  
17 is attributable to depreciation, interest on borrowed  
18 funds, a return on equity capital (in the case of propri-  
19 etary facilities), or other expenses related to such capi-  
20 tal expenditures. With respect to any organization  
21 which is reimbursed on a per capita or a fixed fee or  
22 negotiated rate basis, the Secretary shall, in determin-  
23 ing the Federal payments to be made under title XIX,  
24 exclude (and shall direct the Social Security Adminis-  
25 tration, in determining the Federal payments to be

1       made under title XVIII, to exclude) an amount which  
2       in his judgment is a reasonable equivalent to the  
3       amounts which would otherwise be excluded under this  
4       subsection if payments were to be made on other than  
5       a per capita or a fixed fee or negotiated rate basis.”,  
6       and

7           (C) in subsection (e), by striking out “in determin-  
8       ing the Federal payments” and inserting in lieu thereof  
9       “for the purpose of the determination of the Federal  
10      payments”.

11      (2) The first sentence of section 1123(a) of such Act is  
12      amended—

13           (A) by striking out “his” and inserting in lieu  
14      thereof “its”, and

15           (B) by striking out “Secretary” and inserting in  
16      lieu thereof “Social Security Administration”.

17      (3)(A) Subsection (a)(1) of section 1124 of such Act is  
18      amended—

19           (i) by inserting “(or, with respect to programs es-  
20      tablished under title XVIII, the Social Security Ad-  
21      ministration)” after “The Secretary”, and

22           (ii) by inserting “, the Social Security Administra-  
23      tion,” after “the Secretary” the first and second places  
24      it appears.

1 (B) Subsection (b) of such section is amended by insert-  
2 ing “(in consultation with the Social Security Administra-  
3 tion)” after “the Secretary”.

4 (4) Section 1126(a) of such Act is amended by inserting  
5 “, the Social Security Administration,” after “Secretary”  
6 each place it appears.

7 (5)(A) Subsections (a) and (b) of section 1128(a) of such  
8 Act are each amended—

9 (i) by inserting “(or, with respect to title XVIII,  
10 the Social Security Administration)” after “Whenever  
11 the Secretary”,

12 (ii) by striking out “, the Secretary” before para-  
13 graph (1) and inserting in lieu thereof a comma,

14 (iii) by inserting “the Social Security Administra-  
15 tion” in paragraph (1) after “(1)”,

16 (iv) by inserting “the Secretary or the Social Se-  
17 curity Administration (as the case may be)” in para-  
18 graph (2)(A) after “(2)(A)” and by inserting “the Sec-  
19 retary” before “may” in such paragraph,

20 (v) by inserting “the Secretary” in paragraph  
21 (2)(B) after “(B)”, and

22 (vi) by inserting “the Secretary or the Administra-  
23 tion (as the case may be)” in paragraph (3) (of subsec-  
24 tion (a) only) after “(3)”.

25 (B) Subsection (c) of such section is amended—

1 (i) by inserting “or the Social Security Adminis-  
2 tration” in the first sentence after “the Secretary”,  
3 and

4 (ii) by inserting “or the Social Security Adminis-  
5 tration (as the case may be)” in the third sentence  
6 after “the Secretary”.

7 (C) Subsection (d) of such section is amended—

8 (i) by inserting “the Social Security Administra-  
9 tion or” before “the Secretary” the first place it ap-  
10 pears, and

11 (ii) by striking out “Secretary to” and “Secre-  
12 tary’s” and inserting in lieu thereof “Social Security  
13 Administration to” and “Administration’s”, respective-  
14 ly.

15 (6)(A) Subsection (a) of section 1128A of such Act is  
16 amended—

17 (i) by inserting “(or, with respect to claims under  
18 title XVIII, the Social Security Administration)” in  
19 paragraph (1) after “that the Secretary”,

20 (ii) by inserting “or the Social Security Adminis-  
21 tration” in paragraph (1)(B) after “Secretary” the first  
22 place it appears, and

23 (iii) by striking out “Secretary” the second and  
24 third places it appears in paragraph (1)(B) and insert-  
25 ing in lieu thereof “Social Security Administration”.

1       (B) Subsections (b) and (c) of such section are amended  
2 by inserting “(or, with respect to claims under title XVIII,  
3 the Social Security Administration)” after “Secretary” each  
4 place it appears.

5       (C) Subsection (d) of such section is amended—

6           (i) by inserting “or the Social Security Adminis-  
7 tration” after “the Secretary” each place it appears,

8           (ii) by inserting “or the Administration’s” after  
9 “Secretary’s”,

10          (iii) by inserting “or its” after “his”, and

11          (iv) by inserting “or it” after “he”.

12       (D) Subsection (e) of such section is amended—

13           (i) by inserting “or the Social Security Adminis-  
14 tration (as the case may be)” after “the Secretary” the  
15 first place it appears, and

16           (ii) by inserting “or the Administration” after  
17 “Secretary” the second and third places it appears.

18       (E) Subsection (f) of such section is amended by insert-  
19 ing “or the Social Security Administration” after “Secre-  
20 tary” each place it appears.

21       (F) Subsection (g) of such section is amended by insert-  
22 ing “or the Social Security Administration’s” after “Secre-  
23 tary’s”.

24       (7)(A) Section 1129 of such Act is amended by inserting  
25 “(in consultation with the Social Security Administration)”

1 after "Secretary" in the second sentence of subsection (a), in  
2 subsections (b)(1) and (b)(3), and the first and third places it  
3 appears in subsection (b)(4).

4 (B) Section 1129(b)(2) of such Act is amended by strik-  
5 ing out "title XVIII or XIX" and inserting in lieu thereof  
6 "title XIX and the Social Security Administration may  
7 waive such requirements of title XVIII".

8 (8) Section 1135(a) of such Act is amended by inserting  
9 "(in consultation with the Social Security Administration)"  
10 after "the Secretary".

11 (e)(1) Sections 1817(b) and 1841(b) of such Act are each  
12 amended—

13 (A) in the first sentence, by striking out "and the  
14 Secretary of Health, Education, and Welfare" and in-  
15 serting in lieu thereof " , the Secretary of Health and  
16 Human Services, and the Administrator of the Social  
17 Security Administration"; and

18 (B) in the third sentence, by striking out "The  
19 Administrator of the Health Care Financing Adminis-  
20 tration" and inserting in lieu thereof "An officer of the  
21 Social Security Administration designated by the Ad-  
22 ministrator of such Administration".

23 (2) Section 1867(b) of such Act is amended by adding at  
24 the end thereof the following new sentence: "Any advice or  
25 recommendations so provided by the Advisory Council with

1 respect to title XIX shall be transmitted by the Social Secu-  
2 rity Administration to the Secretary.”.

3 (f)(1) Title XIX of the Social Security Act is amended  
4 by striking out “Secretary” and inserting in lieu thereof  
5 “Social Security Administration” each place it appears in the  
6 following places:

7 (A) Section 1902(a)(9)(A).

8 (B) The first place it appears in section  
9 1902(a)(13)(B).

10 (C) Section 1902(a)(33)(B).

11 (D) Section 1902(a)(39).

12 (E) The first place it appears in section 1902(d).

13 (F) Section 1902(j)(2).

14 (G) Section 1903(i)(2).

15 (H) Sections 1910(a)(1) and 1910(b)(1).

16 (I) Sections 1914(a)(1) and 1914(a)(2).

17 (2) Section 1902(a)(39) of such Act is amended by strik-  
18 ing out “him” and inserting in lieu thereof “it”.

19 (3) Section 1903(i)(2) of such Act is amended by insert-  
20 ing “by the Secretary” after “1866(b)(2) or”.

21 (4) Section 1910(c)(1) of such Act is amended—

22 (A) by striking out “he finds” the second place it  
23 appears in the first sentence and inserting in lieu there-  
24 of “the Social Security Administration finds”, and

1           (B) by inserting “(and, with respect to title  
2       XVIII, the Social Security Administration)” in the  
3       third sentence after “Secretary”.

4       (5) Section 1910(c)(2) of such Act is amended—

5           (A) by inserting “or the Social Security Adminis-  
6       tration” after “Secretary” the first place it appears,  
7       and

8           (B) by striking out “Secretary” each place after  
9       the first place it appears and inserting in lieu thereof  
10      “Social Security Administration”.

11      (6) Section 1914(d) of such Act is amended by inserting  
12      “(in consultation with the Social Security Administration)”  
13      after “The Secretary”.

14      (g)(1) Except as provided in paragraph (2), the terms  
15      “Secretary of Health and Human Services”, “Secretary of  
16      Health, Education, and Welfare”, and “Secretary”, when  
17      used to refer to the Secretary of Health and Human Services,  
18      shall be deemed to refer to the Social Security Administra-  
19      tion when (and to the extent that) such term is employed in  
20      any provision of law which imposes any duty or responsibility  
21      on, confers any authority on, or imposes any limitation on the  
22      exercise of authority by, the Secretary of Health and Human  
23      Services with respect to the administration of the programs  
24      established by title II, title XVI (relating to the supplemental

1 security income program), or title XVIII, of the Social Secu-  
2 rity Act.

3 (2) The provisions of paragraph (1) shall not apply to  
4 any provision of law which is contained in title II, sections  
5 1122, 1123, 1124, 1126, 1128, 1128A, 1129, and 1135,  
6 part B of title XI, title XVI (relating to the supplemental  
7 security income program), or title XVIII, of the Social Secu-  
8 rity Act.

9 **TRANSFER OF FUNCTIONS**

10 SEC. 3. (a) There are transferred to the Social Security  
11 Administration (established by section 701 of the Social Se-  
12 curity Act under the amendment made by section 101(a) of  
13 this Act) all functions carried out by the Secretary of Health  
14 and Human Services, with respect to the administration of  
15 programs and activities the administration of which is vested  
16 in such Administration, by reason of this Act and the amend-  
17 ments made thereby.

18 (b) There are transferred to the Social Security Admin-  
19 istration (as established by section 701 of the Social Security  
20 Act under the amendment made by section 101(a) of this Act)  
21 all personnel, assets, liabilities, contracts, property, and rec-  
22 ords, which the Director of the Office of Management and  
23 Budget determines to be employed, held, or used by the Sec-  
24 retary of Health and Human Services primarily in connection  
25 with the functions, activities, and programs which, by reason

1 of this Act and the amendments made thereby, are vested in  
2 or become the responsibility of such Administration.

3 (c) The position of Commissioner of Social Security is  
4 abolished.

5 TRANSITIONAL RULES

6 SEC. 4. (a) All orders, determinations, rules, regula-  
7 tions, permits, contracts, certificates, licenses, and privi-  
8 leges—

9 (1) which have been issued, made, promulgated,  
10 granted, or allowed to become effective, in the exercise  
11 of functions (A) which were exercised by the Secretary  
12 of Health and Human Services (or his delegate), and  
13 (B) which relate to functions which, by reason of this  
14 Act and the amendments made thereby, are vested in  
15 the Social Security Administration (as established by  
16 section 701 of the Social Security Act under the  
17 amendment made by section 101(a) of this Act), and

18 (2) which are in effect at the time this Act takes  
19 effect,

20 shall (to the extent that they relate to functions described in  
21 paragraph (1)(B)) continue in effect according to their terms  
22 until modified, terminated, suspended, set aside, or repealed  
23 by the Social Security Administration (as established by sec-  
24 tion 701 of the Social Security Act).

1       (b) The provisions of this Act (including the amendments  
2 made thereby) shall not affect any proceeding pending at the  
3 time this Act takes effect before the Secretary of Health and  
4 Human Services with respect to functions vested (by reason  
5 of this Act and the amendments made thereby) in the Social  
6 Security Administration (as established by section 701 of the  
7 Social Security Act under the amendment made by section  
8 101(a) of this Act), except that such proceedings, to the  
9 extent that they relate to such functions, shall continue  
10 before the Social Security Administration (as so established).  
11 Orders shall be issued under any such proceeding, appeals  
12 taken therefrom, and payments shall be made pursuant to  
13 such orders, in like manner as if this Act had not been en-  
14 acted, and orders issued in any such proceeding shall con-  
15 tinue in effect until modified, terminated, superseded, or re-  
16 pealed by the Social Security Administration (as so estab-  
17 lished), by a court of competent jurisdiction, or by operation  
18 of law.

19       (c) Except as provided in this subsection—

20           (1) the provisions of this Act shall not affect suits  
21 commenced prior to the date this Act takes effect; and

22           (2) in all such suits proceedings shall be had, ap-  
23 peals taken, and judgments rendered, in the same  
24 manner and effect as if this Act had not been enacted.

1 No cause of action, and no suit, action, or other proceeding  
2 commenced by or against any officer in his official capacity as  
3 an officer of the Department of Health and Human Services,  
4 shall abate by reason of the enactment of this Act. Causes of  
5 action, suits, actions, or other proceedings may be asserted  
6 by or against the United States and the Social Security Ad-  
7 ministration (as established by section 701 of the Social Se-  
8 curity Act under the amendment made by section 101(a) of  
9 this Act), or such official of such Administration as may be  
10 appropriate, and, in any litigation pending when this section  
11 takes effect, the court may at any time, on its own motion or  
12 that of a party, enter an order which will give effect to the  
13 provisions of this subsection (including, where appropriate, an  
14 order for substitution of parties).

15 (d) This Act shall not have the effect of releasing or  
16 extinguishing any criminal prosecution, penalty, forfeiture, or  
17 liability incurred as a result of any function which (by reason  
18 of this Act) is vested in the Social Security Administration.

19 (e) Orders and actions of the Social Security Adminis-  
20 tration in the exercise of functions vested in such Administra-  
21 tion under this Act (and the amendments made thereby) shall  
22 be subject to judicial review to the same extent and in the  
23 same manner as if such orders and actions had been taken by  
24 the Secretary of Health and Human Services in the exercise  
25 of such functions immediately preceding the effective date of

1 this Act. Any statutory requirements relating to notice, hear-  
2 ings, action upon the record, or administrative review that  
3 apply to any function so vested in the Social Security Admin-  
4 istration shall continue to apply to the exercise of such func-  
5 tion by such Administration.

6 (f) In the exercise of the functions vested in it under this  
7 Act (and the amendments made thereby), the Social Security  
8 Administration shall have the same authority as that vested  
9 in the Secretary of Health and Human Services with respect  
10 to the exercise of such functions immediately preceding the  
11 vesting of the same in such Administration, and actions of  
12 such Administration shall have the same force and effect as  
13 when exercised by such Secretary.

14 EFFECTIVE DATE

15 SEC. 5. This Act (other than section 2(d)), and the  
16 amendments made by this Act, shall take effect on the first  
17 day of the first calendar month which begins not less than 90  
18 days after the date of the enactment of this Act.

○